

| STANDARDS COMMITTEE | | |
|----------------------------|---|---------------------------|
| Report Title | REVIEW OF LOCAL CODE OF CORPORATE GOVERNANCE 2009/10 | |
| Key Decision | | Item No. 5 |
| Ward | All | |
| Contributors | Head of Law | |
| Class | Part 1 | Date: 24 JUNE 2010 |

1. Summary

- 1.1 In December 2002, the Standards Committee considered and endorsed a Local Code of Corporate Governance for the London Borough of Lewisham. The Local Code is detailed at Appendix 1 on page 4. Compliance with this code is subject to regular review, the last of which was reported in May 2009. Compliance with the Local Code has again been reviewed (see Appendix 2 on page 10); the review has found that the Council is compliant with the Local Code.

2. Purpose

- 2.1 To report the results of the annual review of compliance with the Local Code of Corporate Governance. The results of the review appear at Appendix 2 on page 10.

3. Recommendations

- 3.1 Members of the Standards Committee are asked to consider and endorse the outcomes of the review.

4. Background

- 4.1 In 2002 CIPFA/SOLACE promoted a Code of Corporate Governance to local authorities. This Code included five dimensions:
- Community Focus
 - Service Delivery Arrangements
 - Structures and Processes
 - Risk Management and Internal Control
 - Standards of Conduct

4.2 Councils were advised to include particular features under each of the above dimensions in their Local Codes. A detailed review of Lewisham's compliance against the Local Code appears in Appendix 2 on page 10.

5. Review of compliance with the Local Code of Corporate Governance

5.1 In 2007, CIPFA / SOLACE revised their original national Code of Corporate Governance to build on recent governance work in both the public and private sector. The new framework consists of six key principles.

- Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
- Members and officers working together to achieve a common purpose with clearly defined functions and roles
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- Developing the capacity and capability of members and officers to be effective
- Engaging with local people and other stakeholders to ensure robust public accountability

5.2 In May 2009 Standards Committee received a review of compliance with the Local Code of Corporate Governance. This year compliance has been reviewed again. The process for doing so has been to revisit the findings of last year and to test those with relevant officers across the Council. External evidence of compliance, particularly that obtained from the Audit Commission, is referenced where applicable.

5.3 The Local Code has also been updated to include a new section "K" on Partnership Governance, as agreed at Standards Committee in May 2009.

5.4 The review has found that, as last year, the Council is compliant with the Local Code of Corporate Governance.

6 Training

- 6.1 The Local Code of Corporate Governance states that 'training will be provided for both officers and members in order to assist them to develop the skills and knowledge necessary to fulfil their roles and responsibilities.'
- 6.2 In May and June of 2009, training on the Codes of Conduct for both members and officers was undertaken. Written briefings were sent to all Councillors unable to attend a training session.

7 Review

- 7.1 The Local Code of Corporate Governance requires that compliance with the code be monitored annually.

8 Legal Implications

- 8.1 There are no specific legal or financial implications

9 Equalities Implications

- 9.1 Equalities issues are key to the Local Code of Corporate Governance. The council and its partners strive to promote equality of opportunity for all and eliminate discrimination. Good governance arrangements will help to ensure that the practices of the Council are open and accessible for all. These values are at the heart of Lewisham's Local Code of Corporate Governance and are specifically detailed in Section H: Accountability and Community Focus.

10 Environmental

- 10.1 The revised national CIPFA/SOLACE governance frameworks suggests that council's measure the environmental impact of policies, plans and decisions. It is best practice that all committee reports include an environmental implications section.

11 Community Safety

- 11.1 There are no specific Community Safety Implications.

Appendix 1

Code of Corporate Governance

A What is a Code of Corporate Governance?

A Code of Corporate Governance might be defined as a statement of the system by which a local authority directs and controls the exercise of its functions and relates to the local community. This definition is founded on that used in the Cadbury Report on the Financial Aspects of Corporate Governance which related to the governance of private companies. However it also recognises the key role of local government in community leadership, by placing emphasis on relationships with local people.

B The Purpose of a Code of Corporate Governance

Aspects of corporate governance find expression in the everyday practices and procedures of a local authority. However an overarching Code of Corporate Governance fulfils the following purposes:-

- It stimulates confidence in the activities of local government, its politicians and employees, and the way it goes about business
- It focuses the minds of those involved in local government on making decisions in a proper way and engaging local stakeholders
- It assists with continuous improvement in the delivery of services, and serves to minimise the authority's exposure to risk.

C Fundamental principles

Cadbury identified three fundamental principles for corporate governance. They are:-

- Openness
- Integrity
- Accountability

These are as relevant in the public sector as the private – possibly more so. These fundamental principles were expanded by the Nolan Committee on Standards in Public Life, and further strengthened as the guiding principles underpinning the statutory model code of conduct for members. These principles are readily accepted by the Council as underpinning all local government activity. They appear as an Appendix to the Council's Member Code of Conduct but are endorsed as applicable to all Council activity.

They are:-

- Selflessness - members should serve only the public interest and should never improperly confer an advantage or disadvantage on any person
- Honest and integrity - members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.
- Objectivity - members should make decisions on merit, including when making appointments, awarding contract, or recommending individuals for rewards or benefits
- Accountability - members should be accountable to the public for their actions and the manner in which they carry out their responsibilities and should co-operate fully and honestly with any scrutiny appropriate to their particular office
- Openness - member should be as open as possible about their actions and should be prepared to give reasons for them
- Personal Judgement - members must take account of the views of others (and this may include their political groups) but should reach their own conclusions on the issues before them and act in accordance with those conclusions
- Respect for Others - members should promote equality by not discriminating unlawfully against any person and by treating people with respect, regardless of their race, age, gender, sexual orientation or disability. They should respect the integrity and impartiality of the authority's statutory officers, and its other employees and not do anything to compromise that impartiality
- Duty to uphold the law - members should uphold the law and on all occasions act in accordance with the trust that the public is entitled to place in them
- Stewardship - members should do whatever they are able to do to ensure that their authorities use their resources prudently and in accordance with the law
- Leadership - members should promote and support these principles by leadership, and by example, and should always act in a way that secures or preserves public confidence.

D The decision making process

Decisions will be taken in accordance with the following:-

- a) the decision will be made following an evaluation of options

- b) the decision maker will take professional advice (including financial and legal advice where the decision may have legal and/or financial consequences)
- c) the decision will be taken following a consideration of all relevant matters and disregarding irrelevancies
- d) reasons for the decision will be recorded as will details of options considered with reasons for their rejection
- e) action taken will be proportionate to the result to be achieved
- f) respect for human rights will be balanced with the Council's duty to the wider community
- g) a presumption in favour of openness, unless there are compelling lawful reasons preventing the consideration of matters in public
- h) consultation appropriate to the matter under consideration
- i) clarity of aims and desired outcomes
- j) the highest standards of ethical conduct, avoiding actual, potential and perceived conflicts of interest
- k) consideration of business by Council members will be on the basis of written reports containing all relevant service, corporate, legal and financial considerations
- l) all executive decisions may be subject to scrutiny by the Overview and Scrutiny Committee in accordance with the Council's constitution
- m) decisions will be taken in accordance with the Council or Mayoral Scheme of Delegation as appropriate, and these schemes will be maintained, kept up to date and made available to the public

E Ethics

1. The Council will maintain and promote a Member Code of Conduct, which complies in all respects with all legal requirements.
2. The Council will maintain an Employee Code of Conduct, which complies with all legal requirements and promotes the highest standards of behaviour among employees.
3. Training will be provided for members and staff on the operation of the Codes of Conduct.
4. The Council will maintain a Members' Register of Interests in accordance with the law, and inform members of their duty to keep it up to date.
5. Key senior staff will be requested to disclose any interests which they have, which if they were a member they would be required to disclose, and a register kept of those interests declared.
6. The Council will maintain a protocol relating to the relationship between members and staff, promoting professional and effective relations between staff and all members, whether members of the Cabinet or overview and scrutiny.

7. The Council will adopt and maintain a whistleblowing policy, which is made widely available, and will report on referrals under it each year.

F Members' roles

1. The Council will document the roles of all members of the authority including the relative roles of the Mayor and Cabinet and non-executive members of the authority. Officers will support all members in the performance of these roles.
2. Members will maintain appropriate schemes of delegation and in particular define those matters reserved for collective decision by the full Council.
3. Members will put in place clearly documented processes for policy development, implementation and review and for decision making, monitoring and control, as well as procedural and financial regulations relating to the conduct of Council business.
4. Members will recognise that although within the Council they may fulfill different roles (for example as scrutineer or member of the political Executive) the Council remains a single corporate entity and can only function effectively if there is an appropriate balance between this corporate approach and the need to ensure that executive decisions are made appropriately and scrutinised constructively.
5. As required by law, members will put in place the terms of their remuneration and arrangements for review by an Independent Remuneration Panel.
6. Each year the Council will publish details of remuneration paid to each member of the Council.

G Officers' roles

1. The Council will maintain the post of Head of Paid Service (Chief Executive - responsible for the management of the Council's workforce and overall corporate management of the authority) separate from the political executive of the authority.
2. The Council will maintain the post of Chief Finance Officer to advise on the proper administration of the Council's financial affairs, keeping proper financial records and maintaining effective systems of financial control.
3. The Council will maintain the post of Monitoring Officer who will be the person responsible to the authority for ensuring that procedure, legislation and good practice are complied with.
4. The Head of Paid Service, the Monitoring Officer and the Chief Finance Officer shall be entitled to attend any meeting of the Council, the Mayor and Cabinet or any committee.
5. When considering any matter members must have regard to the advice of the Council's statutory officers.

6. All staff will have job descriptions which clearly define their roles, responsibilities and remuneration.
7. Council employees will support and advise all members of the Authority irrespective of whether they are executive or nonexecutive members.

H Accountability and Community Focus

1. The Council will record its decisions in writing and make those written records and the reasons for a decision available to the public.
2. All decisions made by the Mayor or delegated by him will be available for scrutiny by the overview and scrutiny committee in accordance with the Council's constitution.
3. The Mayor, members of the Cabinet and Executive Directors may be required to give account for their performance to the relevant overview and scrutiny committee.
4. The Council will publish annual performance targets and report on performance against those targets annually.
5. The Council will adopt a performance management framework to analyse key performance indicators and make information about performance against those indicators publicly available periodically.
6. The Council will put in place mechanisms to encourage participation in the affairs of the Council by individuals and groups from a broad cross section of the community, and will monitor their effectiveness.
7. In consultation with the local community will develop a vision for the local community and other stakeholders and will ensure that that vision is expressed clearly and publicised.
8. The Council will co-operate fully with external inspectors and respond positively to their findings, making arrangements to implement agreed actions effectively.

I Financial matters

In addition to those financial matters raised elsewhere in this [draft] code, the Council will:-

1. Put in place a process by which resources are allocated to priorities
2. Adopt a financial reporting process to ensure that members receive financial monitoring reports at appropriate intervals
3. Maintain an objective and professional relationship with external auditors
4. Publish an annual statement of accounts in a timely manner

J Risk Management

1. The Council will put in place a robust system for identifying and evaluating significant risks to the authority

2. The Council will put in place effective risk management systems, including systems of internal control as well as effective arrangements for an objective review of risk management and internal control
3. Annually the Council will publish an objective balanced and understandable statement and assessment of the authority's risk management mechanisms and their effectiveness.

K Partnership Governance

1. The Council will ensure that it has robust and effective mechanisms to ensure that its partnerships are effectively grounded, and that the risks involved in partnership working are accurately identified and appropriately managed.

L Review

The Council will monitor compliance with this Code annually. The Head of Paid Service, Chief Finance Officer and the Monitoring Officer will present a joint report to the Standards Committee on the extent of compliance, and the Council's annual statement of accounts will contain a statement explaining the extent of compliance. The officers will also present any proposals for amendment to the Code for consideration.

Appendix 2

Review of the Local Code of Corporate Governance 2009/2010

Sections (a) and (b) relate to the definition and purpose of the local code.

SECTION C: Fundamental principles

Cadbury identified three fundamental principles for corporate governance. They are:

- Openness
- Integrity
- Accountability

The Nolan principles are readily accepted by the Council as underpinning all local government activity. They are a key part of the new Code of Conduct for Members which is detailed at Part V of [the Constitution](#) (p216). The Council introduced this Code under Section 51 Local Government Act 2000 and the Local Authorities (Model Code of Conduct) Order 2007. Its purpose is to promote the highest [ethical standards](#) of conduct from all Members of the Council.

Our long-standing and continued organisational commitment to embedding these principles is demonstrated by the findings of external assessors over a number of years. In 2005, as part of a review of Ethical Governance, the Audit Commission found that the Chief Executive played an active role in promoting and achieving high ethical standards across the organisation. In their [2007 Corporate Assessment](#), the Audit Commission found that *'ethical standards are high, relationships between Councillors and staff are very good and the culture is user-focused and free of in-fighting.'*

In the feedback from the [2008 'Use of Resources' assessment](#), the Audit Commission found that *'excellent arrangements are in place... we noted excellent arrangements around ethical governance, in particular, ethical training to members and officers, training to members and officers, training for Standards Committee members on new powers, and reporting to Standards Committee on members' compliance with the Member Code of Conduct by the Head of Law.'*

As a result the Audit Commission nominated the Council as an example of 'notable practice' – for other local authorities to follow – in the field of developing arrangements to secure ethical governance.

Finally, in the [2009 Annual Audit Letter](#), the Audit Commission concluded that an area of excellent performance was '*the way the Council promotes and demonstrates the principles and values of good governance*'.

Section D
Decision making

SECTION D. Decision making

National Code Dimension: 1.7, 2.3, 3.6, 3.7, 4.2, 4.6, 4.7, 4.12

Members follow the required formal procedures when making Council decisions, which ensure that such decisions are made transparently and openly. There is an annual programme of regular meetings whereby formal decisions are taken. Committee reports are produced by Officers in a standard format to ensure that authors address all significant considerations such as the service, corporate, legal and financial implications of decisions, equalities issues, environmental issues and risk assessment. Every committee agenda includes as a standard item a section on declarations of interest by committee members which sets out the legal position in relation to the need to declare, and on occasion, withdraw from discussion of matters where the member has a personal or prejudicial interest.

The highest standards of ethical conduct are adhered to in order to avoid actual, potential and perceived conflicts of interest Members and Officers Code of Conduct). The principles of decision making appear as Article 16 within the Constitution (p73). Standards Committee receives a report on Member compliance with the Code of Conduct, a process which was recognised as 'notable practice' by the Audit Commission in the 2007/08 Use of Resources audit.

Decisions are taken in accordance with the Council and Mayoral scheme of delegation as appropriate and these schemes are maintained, kept up to date and made available to the public as detailed within the Constitution (Article 15 p72 & Rule D17 p119). The Constitution states, *"within 2 working days of an Executive decision being taken it shall be published by the proper Officer at the Town Hall and sent to all Members of the Council where possible by electronic means. Decisions will also be recorded in a central register kept by the proper Officer which will be available to all Members of the Council and the public"*.

Decisions are taken in accordance with the general principles of administrative law and on the basis of professional advice at all times. Minutes are published and made widely available through the Lewisham website. All executive decisions are subject to review by Overview and Scrutiny business panel and may be called-in in accordance with the

Council's Constitution. Examples of the matters referred to the Mayor for reconsideration in accordance with the call in procedure include the transfer of Building Services to Lewisham Homes in July 2008.

In addition to the procedural requirements stated above, three examples of the decision making process have been examined against the key principles of this dimension of the local code. The evidence indicates that the decision making process is sound, transparent and consistent with the requirements of the code.

The reports considered by Mayor and Cabinet were:

- **Implications of the continued listing of Lewisham Bridge Primary School and options in relation to school organisation issues, design procurement and decant arrangements – [26 August 2009](#)**
- **Lewisham Strategic Partnership response to the economic recession: Allocation of Working Neighbourhoods Fund (2009-11) – [16 September 2009](#)**
- **Re-Development of Heathside and Lethbridge: Update, Development Agreement and Phase 1 Land Dispersal – [4 November 2009](#)**

Finally, in the feedback from the [2009 Organisational Assessment](#), received in December 2009, the Audit Commission found that '*Lewisham has influential and well-informed Councillors. Councillors are effective in influencing decisions based on sound knowledge of their local communities. The high quality of community leadership by the Mayor and Councillors in Lewisham has been recognised by an external award.*'

Section E
Ethics

SECTION E: ETHICS

1. The Council will maintain and promote a Member Code of Conduct, which complies in all respects with all legal requirements.

National code dimension: 3.2, 3.4, 3.6, 5.1

A new Code of Conduct for Members was formally adopted in July 2007, this is detailed at Part V of the Constitution p216. The Council introduced this Code under Section 51 Local Government Act 2000 and the Local Authorities (Model Code of Conduct) Order 2007 – the guidance for which are included verbatim in the Lewisham Code. It sets out the standards of conduct expected of all Members of the Council. It is written to support the Council's commitment to organisational integrity and not simply to ensure compliance with the law.

This Code and its protocols are designed to promote public confidence in the actions of Members and employees. These documents encourage Members and Officers not only to avoid actual impropriety but at all times to avoid the suspicion or appearance of improper conduct. Members are required not to do anything that they could not justify to the public and to bear in mind that they serve the whole community. The Code represents the standard against which the conduct of Members will be judged by the public, other Members, partners, the Standards Board for England and the Council's own Standards Committee.

It is the statutory responsibility of every Member to comply with this Code. Every Member should make sure that they are familiar with the requirements of the law, the Council's Constitution, as well as the requirements of this Code and its guidance and protocols. All Members by law are required to sign a declaration that they will comply with the Code. Members should review their personal circumstances with this in mind, particularly as they change, to ensure compliance.

The Members' Code of Conduct is accessible to the public as part of the Council's Constitution, through [ethical standards](#) page on the Lewisham website and as a printed document available in public libraries.

Following the recommendations of the Audit Commission review of ethical governance (September 2005) with regards to publicising and promoting the

existence of the code within the Council and the community, the following actions have been taken:

The [Code of Corporate Governance](#) and the Council's [ethical standards](#) are available on the Lewisham website. Internally, the Code of Conduct is available on the intranet. Related information is also publicly available on the website. For example, sites include information on [how the Council is governed](#) and the [comments, complaints and compliments](#) process.

Lewisham Life delivered to all households in the borough, includes Member contact details and a standing item on the Code of Conduct in the 'What's On' section of each edition of the magazine.

With reference to contracts, the Council has amended its [Code of Practice for Suppliers and Service Providers](#) to refer specifically to the Member Code of Conduct.

A new regime for the investigation of complaints came into place on the 8th May 2008. Allegations of breach of the Member Code of Conduct are now referred initially to the Standards Committee instead of the National Standards Board for England. To facilitate this the Standards Committee has been re-organised into three sub-committees – one to assess if a complaint is worthy of investigation, a second to review if the complaint is thrown out and a complainant appeals, and a third to hear the case – and the constitution was updated to reflect this change. The Committee is independently chaired, outward facing - with its role included in the constitution on our website. The Annual Complaints Report went to the Standards Committee on the 24th November 2009.

The Chair of the Standards Committee also reported to the Full Council at the AGM on 22nd April 2009.

The Council supported the Lewisham Strategic Partnership in the development of its Code of Conduct so that this reflected joint values and the principles of governance.

SECTION E: ETHICS

2. The Council will maintain an Employee Code of Conduct, which complies with all legal requirements and promotes the highest standards of behaviour among employees.

National code dimension: 3.1, 3.2, 3.4

The Employee Code of Conduct was revised in advance of the publication of new mandatory requirements and was endorsed by the Standards Committee on the 1st December 2005 . All employees are required to comply with the Code and the two protocols which accompany it. Breaches of the protocols are deemed to be breaches of the Code. Any breaches are treated seriously and are dealt with under the Council's Disciplinary procedure. This could result in dismissal from the Council's service with or without notice.

The Employee Code of Conduct is appended to the [Constitution](#) (p287) with the Member Code of Conduct.

SECTION E: ETHICS

3. Training will be provided for Members and staff on the operation of the Codes of Conduct.

National code dimension: 3.2, 5.1, 5.4

Members

Training for members on the Member Code of Conduct was conducted by the Head of Law on the 13th of May 2010.

The following is some of the training that was undertaken with members in 2009/10:

- 6th May 2009 – Member Code and Local Investigations
- 11th May 2009 – Member Code and Local Investigations
- 22nd June 2009 – Member Code and Local Investigations
- 25th November 2009 – Member Allowances (Party Leaders)
- 23rd February 2010 – Lewisham's Approach to Ethics (Standards Committee)
- 3rd March 2010 – Election Issues

Officers

The following is some of the training that was undertaken with officers in 2009/10:

- 2nd May 2009 – Member Code of Conduct
- 12th June 2009 – Employee Code of Conduct
- 17th September 2009 – Managing in a Political Environment
- 9th October 2009 – “What You Can and Can't Do” (Governance Support)
- 3rd March 2010 – Election Issues

The [2008 'Use of Resources' Assessment](#) found *'excellent arrangements are in place... in particular, ethical training to members and officers, training to members and officers, training for Standards Committee members on new powers, and reporting to Standards Committee on members' compliance with the Member Code of Conduct by the Head of Law.'*

The [2009 Annual Audit Letter](#) found *'members and officers have a strong, unified understanding of their roles and the Council's vision and this has led to a range of excellent outcomes.....[including] a high level of awareness of ethical standards.'*

SECTION E: ETHICS

4. The Council will maintain a Members' Register of Interests in accordance with the law, and inform Members of their duty to keep it up to date.

National code dimension: 3.3, 3.6, 4.3

The [Member's Register of Interests](#) is updated annually and is then reviewed by the Standards Committee. It is publically available on the Council's website.

The manual register is held and managed by the Head of Committee Services on behalf of the Monitoring Officer and is made available for public scrutiny upon request, at the Town Hall.

SECTION E: ETHICS

5. Key senior staff will be requested to disclose any interests which they have, which if they were a Member they would be required to disclose, and a register kept of those interests declared.

National code dimension: 3.3, 4.3

All officers at SMG1 salary scale and above are required to update the register of interests annually, and these are audited as part of the Statement of Accounts process. The declarations were last updated in June 2009 and will be done so again following the General Election in May 2010.

SECTION E: ETHICS

6. The Council will maintain a protocol relating to the relationship between Members and staff, promoting professional and effective relations between staff and all Members, whether Members of the Cabinet or overview and scrutiny.

National code dimension: 2.5, 2.8, 3.1, 3.2

As stated above, the Council has agreed both Member and Officer Codes of Conduct and the Member code includes a protocol for Member / Officer relations as an appendix (p247). External assessors have found excellent working relationships between Members and Officers, for example the [2007 Corporate Assessment](#) found that *'ethical standards are high and relationships between Councillors and Officers excellent.'*

The Council was nominated as notable practice by the Audit Commission for its ethical governance arrangements, and an on-going academic study into ethics in the Council has found that ethical standards are, and have long been, high.

SECTION E: ETHICS

7. The Council will adopt and maintain a whistle blowing policy, which is made widely available, and will report on referrals under it each year.

National code dimension: 3.2, 4.9

A whistle blowing policy has been agreed, reviewed and is widely publicised on the intranet, and in publications such as *The Works* (staff e-bulletin) and Managers Update (a weekly information bulletin). Complaints made under the whistle blowing policy are investigated and reported by the Head of Law. On 5th May 2009 the Standards Committee received a review of complaints made under the whistle blowing policy. They will receive a further update during the coming year.

Section F
Members Roles

1. The Council will document the roles of all Members of the authority including the relative roles of the Mayor and Cabinet and non - executive Members of the authority. Officers will support all Members in the performance of these roles.

National code dimension: 2.1, 2.2, 2.8, 5.5, 5.6, 5.9

The Council's Constitution sets out the roles and responsibilities of Members, both generally and particularly (i.e. the Mayor, Chair of Council, the Council as a whole, the Executive, Overview and Scrutiny committees, Standards Committees etc.) This appears at Article 1 and in more detail throughout the Constitution.

For example, the Constitution specifies that the Mayor will carry out the following roles:

- a) to be the Council's principal spokesperson
- b) to give overall political direction to the Council
- c) to appoint (and dismiss) the Executive
- d) to decide on a schedule of delegation of executive functions
- e) to chair meetings of the Executive
- f) to represent the Council on external bodies that deal with Executive functions.

Officers support all Members in the performance of their roles. This includes, provision for attendance, of lawyers and financial officers at every meeting of Mayor and Cabinet to provide professional expertise, and at Overview and Scrutiny Committee as appropriate.

Member development charter

In January 2000, Lewisham signed the Improvement and Development Agency (IDeA) Charter on Member Development which gave a commitment to ensuring action was taken to develop and support Members. In 2008, Lewisham achieved accreditation on the London Member Development Charter. The charter signifies and is a statement of the Council's commitment to developing and supporting its elected Members. Its objective is to ensure Councils have a structured approach to Councillor development and facilities to build elected Member capacity. It has provided Lewisham with a structure and impetus for sustaining a commitment to both organisational learning and

constant improvement of the Member development programme. The Member Development Charter comprises of five key principles. These principles have been adopted to form the bedrock of the Member Development Strategy. They are:

- Commitment to Member development
- Strategic approach to Member development
- Member learning and development plan in place
- Learning and development is effective in building capacity
- Elected Member Development promotes work life balance and citizenship

The overall aim of the Members' Development Programme is to ensure that all Members have access to the training and development opportunities they need to fulfil their responsibilities to the local community and provide clear leadership and effective scrutiny of local Council functions. Lewisham's approach to Member development will continue to evolve and be informed by Member input, evaluation of best practice and an increasingly personalised approach to Member development and support to both the Mayor and elected Councillors.

The [2009 Annual Audit Letter](#) found '*the Council has an excellent training and development programme for members. This is recognised as best practice and feedback from members indicates the programme has helped them considerably in carrying out their roles.*'

SECTION F: MEMBERS ROLES

2. Members will maintain appropriate schemes of delegation and in particular define those matters reserved for collective decision by the full Council.

National code dimension: 2.3

The Council Scheme of Delegation and the Mayoral Scheme of Delegation are appended to the Constitution at Part VIII. They delegate all functions except those specifically reserved for Members. Those exclusions are explicit and as a result the schemes of delegation are particularly clear.

The Council has a Constitution Working Party which keeps the Constitutional arrangements of the authority under review and makes proposals to full Council for any amendment to the Council's scheme of delegation.

The Constitution sets out what decisions are referred to Full Council. In 2009/10 the reports to Full Council have included: Updated Mayoral Scheme of Delegation, Member Allowances, Petitions Scheme and Amendments to Constitution (Crime & Disorder Act). The Constitution has been updated to reflect these new responsibilities.

SECTION F: MEMBERS ROLES

3. Members will put in place clearly documented processes for policy development, implementation and review and for decision making, monitoring and control, as well as procedural and financial regulations relating to the conduct of Council business.

National code dimension: 2.12, 4.1, 4.2, 4,7

The processes for policy development, implementation and review are specifically dealt with in the Constitution, at Part IV, section F et seq. Overview and Scrutiny Select Committees have early consideration of developing statutory policy options. For instance the Public Accounts Select Committee received and reviewed the savings proposals that would underpin the 2010/11 budget in advance of final proposals being presented by the Mayor.

Overview and Scrutiny Select Committees may scrutinise any matter within their remit and ask Members of the Mayor and Cabinet and senior Officers to give account for their actions. Any Member of an Overview and Scrutiny Committee may place an item on its agenda. This is codified in the Constitution, in Article 6 on page 29.

Part IV of the constitution sets out the procedures rules for decision making, monitoring and control. Decisions are publicised within two days of being made. All Executive decisions may be considered by the Council's Overview and Scrutiny Business Panel at a meeting which may exercise the right of call-in and ask the decision maker to reconsider.

The Council's Constitution includes Financial Procedure Rules at p196. These were reviewed at Full Council in May 2009. The entirety of Part IV of the Constitution is concerned with the procedural regulations applying to the conduct of Council business.

SECTION F: MEMBERS ROLES

4. Members will recognise that although within the Council they may fulfil different roles (for example as scrutineer or Member of the political Executive) the Council remains a single corporate entity and can only function effectively if there is an appropriate balance between this corporate approach and the need to ensure that executive decisions are made appropriately and scrutinised constructively.

National code dimension: 4.1, 4.2

The constitution states that *“There are 54 Councillors who are elected to represent areas of the London Borough of Lewisham called wards. The Council also has a Mayor, who is elected by voters across the whole of the borough. Together they act as one body, the Council of the London Borough of Lewisham”* and continues to state that *“The Council acts as one corporate body”*.

The Lewisham Councillors’ “role map/skills framework and role descriptors” states that all Councillors should:

- represent the interests of local people in the area they were elected to serve;
- contribute to the good governance of the authority; and
- participate effectively as a member of the full Council, any committee, panel or member body to which the councillor is appointed

All key decisions made by the Mayor are subject to scrutiny by the Overview & Scrutiny Business Panel. This body has the power to exercise call-in, which has been used five times since the 2006 election.

The Overview and Scrutiny Business Panel also refer items for discussion to the appropriate Scrutiny Select Committee. Support for Mayor & Cabinet and Overview & Scrutiny is provided by both Executive Directors and Heads of Service across the organisation.

SECTION F: MEMBERS ROLES

5. As required by law, Members will put in place the terms of their remuneration and arrangements for review by an Independent Remuneration Panel

National code dimension: 2.9

In January 2010, the [Council](#) approved the appointment of London Councils as its Independent Remuneration Panel, with an element of independent advice particularised for Lewisham. Using the London Council's recommendations as a basis, the Council will seek advice from an independent person to assess the "fit" of these recommendations in the particular context of Lewisham's arrangements.

SECTION F: MEMBERS ROLES

6. Each year the Council will publish details of remuneration paid to each Member of the Council

National code dimension: 2.9

The members allowances scheme is attached to the constitution as part VI (page 303).

The Council also publicises its Members Allowance Scheme each year in a newspaper. On the 5th June 2009, the Council published this information in The South London Press. The next publication is scheduled for June 2010.

Section G
Officers Roles

SECTION G: OFFICERS ROLES

1. The Council will maintain the post of Head of Paid Service (Chief Executive - responsible for the management of the Council's workforce and overall corporate management of the authority) separate from the political executive of the authority.

National code dimension: 2.1, 2.2, 2.4

This requirement is addressed in the Constitution and in the job description of the Chief Executive. Article 14 of the [Constitution](#) (p67) sets out the functions of the Head of Paid Service who is also known as the Council's Chief Executive.

SECTION G: OFFICERS ROLES

2. The Council will maintain the post of Chief Finance Officer to advise on the proper administration of the Council's financial affairs, keeping proper financial records and maintaining effective systems of financial control.

National code dimension: 2.1, 2.2, 2.6

These duties are reflected in the job description of the Executive Director for Resources. See Article 14 of the [Constitution](#) – p67 et seq.

SECTION G: OFFICERS ROLES

3. The Council will maintain the post of Monitoring Officer who will be the person responsible to the authority for ensuring that procedure, legislation and good practice are complied with.

National code dimension: 2.1, 2.2, 2.7, 4.10, 4.11

This requirement is addressed in the Constitution and in the job description of the Head of Law. The Monitoring Officer has oversight of the registers of Members' interests and gifts/hospitality.

The Monitoring Officer also offers support and guidance to the Standards Committee by:

- attending committee meetings
- advising Members of the committee

- submitting reports to the committee
- contributing to the development of the work programme of the committee in close collaboration with the Chair of the Committee
- providing training and sharing best practice

See Article 14 of the Council's Constitution. See Article 14 of the Council's [Constitution](#) p67 et seq.

SECTION G: OFFICERS ROLES

4. The Head of Paid Service, the Monitoring Officer and the Chief Finance Officer shall be entitled to attend any meeting of the Council, the Mayor and Cabinet or any committee.

National code dimension: 4.6, 4.7, 4.10, 4.11

This is documented within the [Constitution](#) at Rule 19C, p153. "The Head of Paid Service, Chief Finance Officer and Monitoring Officer and their nominees are entitled to attend any meeting of the Executive and its committees. The Executive may not meet unless the proper Officer has been given reasonable notice that the meeting is to take place. A private meeting of the Executive may not meet to take any decision unless the Head of Paid Service, the Chief Finance Officer or the Monitoring Officer or their nominee are present. The meeting may only take a decision if there is an Officer present with responsibility for recording and publicising the decision".

SECTION G: OFFICERS ROLES

5. When considering any matter Members must have regard to the advice of the Council's statutory Officers.

National code dimension: 4.7, 4.10, 4.11

Article 14 of the [Constitution](#) designates five posts as statutory officers. To the three corporate statutory roles this adds the Executive Director for Children and Young People, who is the statutory director of Childrens Services and the Executive Director of Community Services who is the statutory director for Adult Services. The functions of all of these officers are set out in the same article. All statutory officers attend, or are represented at Council and Mayor and Cabinet.

The Constitution provides that decisions can only be made on the basis of full written reports incorporating service, corporate financial and legal

implications. There is an agenda planning process to ensure these considerations are addressed in reports.

SECTION G: OFFICERS ROLES

6. All staff will have job descriptions which clearly define their roles, responsibilities and remuneration.

National code dimension: 2.9

Detailed job descriptions are agreed before a post is confirmed within the workforce establishment. All employees are provided with a contract of employment which clearly sets out the terms and conditions of their employment including the job role, remuneration and its review. A copy of this contract, duly signed by the employee concerned, is retained on their personal file. Job roles and responsibilities are periodically reviewed if necessary, in consultation with the employee, to meet evolving service delivery needs. Any resulting changes in job descriptions/grading/pay are clearly documented with copies placed on the personal file.

Salaries are updated annually in line with increases in pay agreed nationally and such changes are clearly documented in payroll records and/or personal files as appropriate. Any other changes in pay made outside the annual pay award are also clearly documented and retained on payroll records/personal files.

SECTION G: OFFICERS ROLES

7. Council employees will support and advise all Members of the Authority irrespective of whether they are executive or non-executive Members.

National code dimension: 2.2, 2.8, 4.7, 5.4

It is a Constitutional requirement that senior Council Officers support all Members regardless of their position on either the executive or scrutiny function. Article 14.4, p68 details that the functions of the Head of Paid Service will have responsibility for the provision of professional advice to all parties in the decision making process. This is also detailed in functions of the Monitoring Officer (Article 14.5 p68) and the Chief Finance Officer (Article 14.6 p70). The protocol for Member/ Officer relations which is attached to the Codes of Conduct within the [Constitution](#), also clearly sets out the expectations of employees in terms of their support to Members.

Section H
Accountability and Community
Focus

SECTION H: Accountability and Community Focus

1. The Council will record its decisions in writing and make those written records and the reasons for a decision available to the public.

National code dimension: 4.2, 6.6

This requirement is addressed in the Constitution. Decisions of the Mayor & Cabinet, Scrutiny Select Committees and Full Council are published on the Lewisham Website.

The Council has made an explicit commitment to openness in all its dealings, subject only to the need to preserve confidentiality in specific circumstances where it is proper and appropriate to do so. This is clearly expressed in its [Constitution](#) at Article 1 (p22), which states the Council's aims and purposes and sets out the principles of decision making. These include "a presumption in favour of openness, unless there are compelling lawful reasons preventing the consideration of matters in public".

The Constitution provides for the Mayor to make decisions in public at a meeting of the Mayor and Cabinet convened as if the meeting were taking the decision collectively. There is clear access to information provisions as set out in the Constitution at Part G (p145), which are adhered to. These rules and the rest of the Constitution are on the Council's website, as are notices of [Council meetings](#) and decisions.

As part of the Audit of Ethical Governance undertaken by the Audit Commission in September 2005, the following comments were made: "Members follow the required formal procedures when making Council decisions which ensure that such decisions are made transparently and openly." They also commented that, "committee reports are produced in standard format to ensure that authors address all significant considerations such as the legal and financial implications of decisions, equalities issues and risk assessment."

Decisions of the elected Mayor and Cabinet are informed by Officer reports which address all the issues that have to be considered in all Officer reports to the Executive or committee."

The provisions of the Freedom of Information Act 2000 are fully implemented across the organisation. A corporate team has been established to monitor and ensure compliance with this act and all other related legislation. (Such as

the Data Protection Act 1998 and the Environmental Information Regulations 2004).

From October 2007, appropriate cases have been handled by dedicated representatives within each Directorate. The Council has implemented a new corporate complaints management and feedback system which has led to an increased ability to record and report on information requests.

The committee documents system utilises the Sharepoint system. This allows for all committee documents to be stored centrally before being published onto the Council's website. This system will be replaced by a single integrated Sharepoint-based system where internal material such as these reports appears directly on the web.

A permanent corporate information and records managers post has now been established and there is now a strategic records management policy and system in the Council (Meridio) which complies with ISO 15489, the international standard for records management and section 46, Records Management Code of Practice of Freedom of Information Act (2000).

SECTION H: Accountability and Community Focus

2. All decisions made by the Mayor or delegated by him will be available for scrutiny by the overview and scrutiny committee in accordance with the Council's Constitution.

National code dimension: 4.1

All decisions made by the Mayor may be subject to scrutiny at Overview & Scrutiny Business Panel, which meets on a regular three-weekly cycle. This body has the power to exercise 'call-in' – to refer decisions made but not yet implemented to the Mayor for consideration. This has been used five times since the 2006 election.

SECTION H: Accountability and Community Focus

3. The Mayor, Members of the Cabinet and Executive Directors may be required to give account for their performance to the relevant overview and scrutiny committee.

National code dimension: 3.5, 4.1

This requirement is addressed in the Constitution. The Council has made an explicit commitment to openness in all its dealings, subject only to the need to preserve confidentiality in specific circumstances where it is proper and appropriate to do so. This is clearly expressed in its Constitution at Article 1 (p22), which states the Council's aims and purposes and sets out the principles of decision making.

Executive question time is a chance for non-executive Members to pose questions to the Executive. The meetings held in 2009/10 were as follows:

- 12th May 2009
- 21st October 2009
- 23rd March 2010

SECTION H: Accountability and Community Focus

4. The Council will publish performance targets and report on performance against those targets annually.

National code dimension: 1.4, 2.10, 5.7, 6.1, 6.9

Corporate Strategy

The Corporate Strategy (which essentially replaces the Best Value Performance Plan) is a strategic document addressing many issues that require responses over the medium term. The Corporate Strategy sets out our 10 corporate priorities which outline the Council's contribution to the delivery of the Sustainable Community Strategy. The Strategy is reviewed each year, through the Annual Report and is also supplemented by the monthly Management Report.

Annual Report 2008-09

The Council's Annual Report provides a full year review of activities, achievements and spend (for the previous year) in relation to the Council priorities.

Monthly Management Report

The Management Report provides a monthly update of progress in meeting the Council's priorities. The Report brings together performance indicators, risk entities, finance data and information on major projects into one overarching document. The Management Report, is available on the Council website.

SECTION H: Accountability and Community Focus

5. The Council will adopt a performance management framework to analyse key performance indicators and make information about performance against those indicators publicly available periodically.

National code dimension: 1.5, 1.7, 2.10, 4.5, 5.7

A review of the Performance Management Framework takes place annually, to ensure continuous improvement. The performance management framework allows for robust and structured target setting against national requirements and local priorities. It also allows the Council, its partners and residents to monitor and measure the Council's effectiveness against these national and local performance indicators.

We have excellent reporting and governance arrangements in place to secure continuous improvement. We support those with reports that are recognised as notable practice, and we facilitate the delivery of those reports with our Performance Management tool P+, which is also recognised as good practice.

Our Management Report is the centrepiece of our performance reporting structure. It provides a clear and easy to read analysis of our performance against a basket of 84 indicators including National Indicators and local measures, and also includes an executive summary to direct attention to areas of strong performance as well as areas requiring greater management attention. It is presented monthly to the Executive Management Team and quarterly to Mayor's briefing and Mayor & Cabinet. It is produced entirely from the Performance Plus (P+) system. It utilises exception reporting to focus attention on key areas: exception reporting for red Projects, Risk and Finance and Red and Green exception reporting for performance. By combining these four areas for each of our priorities, it functions as the critical tool for supporting decisions across the organisation. While examining this report, the Executive Management Team, Mayor & Cabinet and Public Accounts Select Committee challenge all aspects of performance.

The report is published on the Lewisham website. This is supported by Directorate Management Teams, which convene performance meetings to directly monitor and address performance for which they are responsible.

Complaints

The Council's [Comments, Complaints and Compliments](#) procedure is publicised on the web.

Lewisham Life – the Council’s magazine - is delivered to all households in the borough, and includes Member contact details, a standing item on the Code of Conduct and the whistle blowing procedure in the ‘What’s On’ section of each edition of the magazine.

The Council has taken active steps to improve its complaints procedure and continues to use the Council’s complaints management system, iCasework, to record complaints and feedback. As well as a dedicated Members Portal and a Customer Portal, the Council has also introduced the CommunityPlus Portal. This allows voluntary organisations to handle their clients complaints more effectively, as they have access to log and track the progress of their client’s complaints. Data on satisfaction with the resolution of complaints are monitored, including at the Complaints and Casework Forum. The Corporate Complaints and Quality Team continue to deliver ongoing complaints management training. The training is designed to ensure that services learn from complaints, how to take preventative and corrective action and how to write an effective letter. The training will ensure there is a better understanding of the relationship between good complaints management and its impact on service development.

The Head of Public Services reports annually to the Standards Committee with an update on complaints, complaints performance is considered annually by Mayor and Cabinet and the Public Account Select Committee. Further reports are considered monthly at Directorate Management Team level and quarterly at Executive Management Team and in the Council's management report.

Value for Money

The Chief Executive’s Efficiency Board (CEEB) provides strategic oversight for the Value for Money agenda. The Efficiency Programme Board (EPB) sits under that body and provides an organisational steer on the planning and monitoring of the efficiencies, and the measurement and improvement of value for money, provided by the Council’s services. It also oversees the efficiency programme which has contributed to efficiency savings in the Council’s operations of £33.309m between 2004/05 and 2008/09.

The EPB oversees the annual compilation and analysis of a set of cost and performance indicators that in combination provide a comparative assessment of the efficiency of service provision across the Council. The assessment of efficiency and value for money (VFM) for 2008/09 demonstrated that costs were commensurate with performance for all but three of the Council’s services; the 2009/10 assessment will be concluded shortly. The findings of

the 2008/09 iteration fed into the service planning process, led to targeted savings in the 2009/10 budget setting process, and the Heads of the services identified as being high cost developed action plans which were reported to and scrutinised by CEEB.

A series of unit cost indicators have been developed and agreed at EPB. These have been included, alongside the findings of the 2008/09 VFM assessment as detailed above, in updated guidance for the creation of service plans for the 2010/11 municipal year. In combination these two sets of indicators and the service planning process ensure that there is an organisation-wide focus on achieving better value for money across the Council.

The Council is actively working with Capital Ambition to assist in the development of a set of efficiency metrics that will allow all London Boroughs to benchmark their costs and to drive efficiencies. The metrics will be developed by May 2010 and further collaborative work based on those will take place during the summer.

SECTION H: Accountability and Community Focus

6. The Council will put in place mechanisms to encourage participation in the affairs of the Council by individuals and groups from a broad cross section of the community, and will monitor their effectiveness.

National code dimension: 5.8, 6.5, 6.7, 6.8, 6.10

We have an open and outward facing culture that is clearly focussed on the needs of our residents and facilitated by an exceptionally strong and diverse approach to engagement and consultation. In response to the new Duty to Inform, Consult and Involve (which came into effect in April 2009) the Council has restated its commitment to actively engaging and involving residents in decision making and service design where appropriate.

In support of this, and to provide increased channels through which citizens are engaged, the Council is currently promoting e-Participation by implementing a new online engagement system. This system also provides the platform through which citizens can set up and respond to e-Petitions, which went live in April 2010 ahead of the legal requirement, and will be extended to online consultation. The Council is also looking into extending the use of this system to include online forums and polls.

The Council's Framework for Engagement was published during the past financial year. This sets in place shared principles for engagement (which were also agreed at a partnership level through the Stronger Communities Partnership). The Framework establishes commits the Council to;

- ensuring accessibility and promoting diversity,
- promoting an ongoing dialogue,
- being accountable, open and transparent and
- utilising best practice and maximising value for money.

Examples of the Council's consultation and engagement mechanisms include:

- **Local Assemblies** which came into operation in spring 2008, with one assembly for each ward. Each is led by local Councillors, and supported through 6 coordinators providing day-to-day organisation and support. Meetings of the local assembly are held locally and open to anyone living or working in the ward.
- **Young Mayor and Young Citizens Panel** The panel has an entirely open Membership enabling any young person aged 11-18 either living or at school/college in the local area to join. The panel has over 300 Members who are invited to take part in various events throughout the year; these include one off consultations, ongoing Mayor's ward visits to local organisations, community groups and businesses.
- **Consultation Finder**, an online database on the Lewisham website that allows anybody to search for all consultations by area of interest, postcode or ward. This function will become part of the Council's new online engagement system.
- **Overview and Scrutiny** committees regularly encourage contributions and participation from local people in the scrutiny process
- **Lewisham Residents Survey** is carried out annually to measure the concerns of Lewisham residents, their feeling towards the borough and their ratings of services provided by the Council and other local partners.
- **Voluntary & Community Sector Children & Young People's Forum** Lewisham VCS Children and Young People's Forum is a network of over 500 voluntary and community organisations working with children and young people in Lewisham. The Forum enables the sector to support and develop itself and forge strong partnerships with statutory agencies. It also provides an opportunity for the sector to engage at a strategic level electing two representatives to the CYP Strategic Partnership Board and Working Groups. Representatives

feed back on discussions and gather views on specific issues at quarterly Forum meetings.

- **Leaving Care Interview panel** Since 2007 all Children's Social Care interview panels contain one young person with care experience to Practice, with Interview Skills and awareness of Equal Opportunities.
- **Stakeholder Challenge Panel** To facilitate ongoing dialogue with customers, the Stakeholder Challenge Panel has been set up to act as a first point of contact for engagement with the VCS and their service users. The panel is a flexible network of approximately 35 groups who represent key groups in the borough and each have an

The Council's engagement activity is overseen by the Communications and Consultation Board. The Board operates at senior Head of Service Level and provides a strategic steer on the communication and consultation agendas within the Council. It is supported by its operational subsidiary, the Consultation Steering Group which draws representation from across the Council and supports effective resident engagement by:

- Maintaining a forward plan of consultation activity planned across the Council. By overseeing this plan the group helps to join up planned consultations wherever possible, avoiding duplication of effort and the risk of "consultation fatigue" among residents;
- Maintaining oversight of planning consultation methodologies and materials, so as to ensure a consistent and high quality approach to engagement and to advise on issues such as sample selection, and reaching particular groups including hard to reach groups.
- To develop capacity and skills across the Council to undertake high quality engagement. For instance, the group has commissioned a series of staff training courses covering focus groups, questionnaire design, and designing engagement activities to maximise responses from hard to reach groups;
- To share findings from research and engagement activities and build a common understanding of the key messages and themes emerging from consultation activity.

In the past year consultation activity has included:

- **Big Care Debate.** The Council was particularly keen that its response to this national debate, based on the Social Care Green Paper, 'Shaping the Future of Care Together', reflected the views of a variety of stakeholders, not just those of the local authority. As such a broad programme of activity took place, including:

- discussion of the Green Paper's proposals with both service providers and service users from particular client groups, such as people with Learning Disabilities and Carers;
 - a deliberative event was also held with 90 members of the public, recruited to provide a representative sample of Lewisham's population. This event consisted of facilitated discussions complemented by electronic voting;
 - promotional activity to encourage interested individuals and groups to respond directly to the Government.
- Sydenham High Street: an empty shop was obtained by the Council on a short let in order to present the Council's proposals for alterations to the design of the high street. The shop was staffed by transport officers who could discuss the proposals with residents in person. Staff time at the shop totalled more than 100 hours, nearly 1,000 comment cards were returned showing 89% in support of the proposals, and a separate and spontaneous petition in support of the proposals was created by residents.

The Audit Commission awarded Lewisham a "green flag" for community engagement and empowerment of local people, in their [2009 Area Assessment](#). They concluded that *'empowering and involving local people is at the heart of the way public sector partnerships work in Lewisham to improve the area as a place to live. Partners have an excellent track record of involving local people, including those who are less likely to be active in the local community.'*

Engagement in decision-making for staff and their representatives is mainstreamed into our policies as and where necessary, e.g. our Management of Change Guidelines detail the process of consultation for managing reorganisation and redeployment.

The Council often offers staff the opportunity to have their say about working for Lewisham. The main staff survey is Talkback, which last took place in 2009, and asks a range of questions about diverse aspects of working for the organisation, such as pay and benefits, communication, leadership and job satisfaction.

Our Investors in People re-accreditation in November 2009 involved over 200 staff (including union representatives) meeting with assessors to give their views about working for the authority.

The Front Line Academy seeks to support service improvement and development by involving front line staff in a range of activities that will help us

to deliver excellent service to our residents. It also supports change across the Council by effectively communicating with internal staff.

There are also a series of Staff Forums (e.g. Black Staff Forum, Disabled Staff Forum, Lesbian, Gay, Bisexual and Transgender Staff Forum and the Young Employees Network) all of which provide staff an opportunity to get involved in the decision-making processes across the Council.

SECTION H: Accountability and Community Focus

7. In consultation with the local community will develop a vision for the local community and other stakeholders and will ensure that that vision is expressed clearly and publicised.

National code dimension: 1.1, 1.2, 1.3, 2.11, 3.8, 6.3

Lewisham Strategic Partnership (LSP)

The Lewisham Strategic Partnership [LSP] is responsible for developing Lewisham's Sustainable Communities Strategy [SCS] "Shaping our Future." The LSP is also responsible for monitoring progress against the priorities set out in the Strategy and our related Local Area Agreement [LAA]. The Partnership was set up in September 2001 and brings together 19 key representatives from the public, private community & voluntary sector agencies within Lewisham, to address the strategic issues facing the borough. The LSP is chaired by the directly elected Mayor of Lewisham.

The LSP has taken the lead in developing our LAA. The Council has ratified the Agreement unanimously. There are six thematic partnership boards, supporting the LSP, which are each responsible for progressing the LAA priority outcomes that fall within their terms of reference.

The Local Strategic Partnership consists of representatives of:

- Lewisham Primary Care Trust
- London Borough of Lewisham
- Lewisham Hospital NHS Trust
- Metropolitan Police Lewisham
- Lewisham Housing Association Group
- Goldsmiths, University of London
- Lewisham College
- An Equalities Organisation
- Voluntary Action Lewisham
- Lewisham Community Network
- JobCentre Plus

- South East London Chamber of Commerce
- Millwall Football & Athletic Company

Working with the LSP board are a series of thematic partnerships, each concentrating on a specific set of cross-cutting policy issues. The thematic partnerships bring together the relevant organisations and individuals to determine appropriate interventions and to ensure that joint-working results in the best possible outcomes. The current thematic partnerships are as follows:

- Children & Young People's strategic partnership
- Adult strategic partnership board
- Economic development & enterprise board
- Safer Lewisham partnership
- Stronger communities partnership
- Sustainable Development Partnership

'Shaping our Future' Lewisham's SCS is underpinned by our vision:

'Together we will make Lewisham the best place in London to live, work and learn.' [Lewisham's 2020 vision]

and two key principles:

- reducing inequality – narrowing the gap in outcomes for citizens
- delivering together efficiently, effectively and equitably – ensuring that all citizens have appropriate access to and choice of high quality local services

and six priorities:

- **Ambitious and achieving** – where people are inspired and supported to fulfil their potential;
- **Safer** – where people feel safe and live free from crime, antisocial behaviour and abuse;
- **Empowered and responsible** – where people are actively involved in their local area and contribute to supportive communities;
- **Clean, green and liveable** – where people live in high quality housing and can care for and enjoy their environment;
- **Healthy, active and enjoyable** – where people can actively participate in maintaining and improving their health and well-being; and

- **Dynamic and prosperous** – where people are part of vibrant communities and town centres, well connected to London and beyond.

A strong track record in user focus and engagement

Lewisham's approach to priority setting has been acknowledged as robust: *'good analysis of need, underpinned by excellent data, ensures the differentiated targeting of both universal and specialist services.'* The Partnership draws evidence and analysis from a comprehensive suite of information and data, which is used to identify priorities, take decisions and track performance. The Partnership is also introducing an interactive web-based system, which will enable citizens and partner organisations to access up-to-date statistics about Lewisham and its people. This will be made available through the Local Strategic Partnership website (web link below).

Lewisham has a strong track record of robust community engagement. The 2007 Corporate Assessment Stakeholder Survey revealed that 89 per cent of Lewisham's stakeholders agreed that the Council has a good understanding of the needs of its community. This was the highest rating of any of the 87 Councils assessed at that time.

The Audit Commission concluded in their [2009 Area Assessment](#) that *'Lewisham's local strategic partnership understands the issues of concern to residents very well. Their main priorities reflect local people's needs and wishes clearly.'*

Evidence of strong local engagement can be seen in the work of the Young Mayor who, alongside a team of young advisors, has played a key role in reviewing corporate strategies and plans. The introduction of Local Assemblies has given local people control over how money from the Locality Funds and the Mayor's Fund are spent in their ward. The development of housing transfer options also demonstrates our commitment to give local people a say in the future management of their homes. One of our local providers Phoenix Housing Trust is managed by local residents and is the first Community Gateway in London.

Our joint vision is promoted on the Council's website and in Council strategies which are also published on the website. The strategic planning framework for the Council sets out how the various strategies and service plans that exist are connected to each other, with the vision of the Council and the LSP at the top of the hierarchy. The new [LSP website](#) went live in 2008 which links to the partnerships key plans and strategies, including our SCS and 2008-11 LAA.

SECTION H: Accountability and Community Focus

8. The Council will co-operate fully with external inspectors and respond positively to their findings, making arrangements to implement agreed actions effectively.

National code dimension: 1.5, 1.6, 2.10, 3.5

Corporate commitment

Lewisham has a robust approach to managing performance, including responding positively to issues arising from inspections and assessment.

Lewisham's broader performance management offer ensures that we are able to continue to track progress in achieving borough-wide performance objectives and address areas for improvement impacting upon outcomes. A good example of how we are able to do this is through our monthly [Management Report](#). The Report which is considered by our Executive management Team and the Mayor, includes the borough's Local Area Agreement measures and enables senior management to gain a clear view as to whether actions taken to improve performance are achieving the desired outcomes.

Following inspections, the Council also uses the service planning process to ensure areas for improvement are properly cascaded and monitored. Oversight for service plan delivery is provided through each of the Council's five Directorate Management Teams as well as through our Strategy Performance and Improvement Group.

The development of [Lewisham's Children & Young People's Plan 2009-12](#) (CYPP) is a good example of how the Council uses strategic planning to strengthen partnership working and utilise collaborative effort to drive improvement. Oversight for the delivery of CYPP objectives is provided by a multi-agency borough-wide partnership as well as through the targeted interventions of individual partners. The responsiveness of the Council to external inspection and challenge has seen our children's social care rating increase from 2 out of 4 in 2004 to 4 (the highest level in 2009).

In the past 12 months Council also set up an Inspection and Assessment Group. The group is chaired by a senior Head of Service and its members include the Heads of Strategy and Performance from each of the Council's Directorates. The group meets on a quarterly basis with the aim to manage knowledge from the inspection process and ensure follow through post inspection actions. This Group supplements the work of other corporate groups such as the Strategy Performance and Improvement Group (chaired by an Executive Director), which oversees the Council-wide response to inspections and assessment.

Below is a summary of inspection and assessment results in Lewisham, during 2009 as well as measures in place to respond to these.

The [Annual Audit Letter 2008-09](#) summarises the findings of the audit and inspection work undertaken by the Audit Commission, as part of the annual audit plan. The Annual Audit letter includes the results of the Council's Use of Resources (UoR) assessment, which has been redesigned as part of the Comprehensive Area Assessment (CAA) framework.

The summary of conclusions in the Annual Audit Letter are as follows:

- an unqualified opinion on the Council's financial statement or accounts
- an unqualified opinion on the Council's arrangements for delivering value for money
- an overall score of 3 out of 4 for the Council's UoR assessment

The Annual Audit Letter also reports on the performance audit of housing management. A summary of the key findings are set out below:

- approach to reviewing housing stock options based on strong resident engagement;
- the Council has adopted a higher risk strategy for achieving the decent homes standard than other local authorities;
- the Council takes equality and diversity seriously – however it has not set adequate targets for housing associations and partners;
- the approach to monitoring housing partners and enforcement is proportionate and effective;
- councillors and senior managers are fully involved in monitoring decent homes standard progress as well as performance management of housing partners.

There were three recommendations outlined in the Annual Audit Letter by the Audit Commission, which have been reported to the Council's Audit Panel. Actions to address recommendations have been put in place, including through ongoing monitoring and reporting undertaken by the Council's Head of Audit and Risk.

Comprehensive area assessment

In 2009 Lewisham Council went through their first comprehensive area assessment (CAA) inspection. The CAA, is a new way of assessing local public services in England - focusing on how well councils work together with other public bodies to meet the needs of the people they serve. CAA is a joint assessment made by a group of six inspectorates and comprising two strands:

- Organisational Assessment (comprising a use of resources assessment and managing performance assessment)
- Area Assessment

The results from the 2008/09 CAA assessment which were published on the 9 December on the [one place](#) audit commission site were as follows:

- **Organisational Assessment** – Lewisham Council has been assessed as performing well:
 - managing performance – the Council received an overall score of 3 out of 4 for managing performance ([Organisational Assessment Report, including UoR December 09](#)).
 - use of resources – the Council received an overall score of 3 out of 4
- **Area Assessment** - Lewisham received one “green flag” (Community engagement and empowerment of local people). No “red flag” was reported as part of Lewisham’s area assessment. ([Lewisham's Area Assessment Report December 09](#)).

Children’s social care inspection

In 2009 Children Services in Lewisham were awarded '[excellent](#)' by Ofsted. The annual rating of the Council's children's services contributes significantly to the managing performance theme and the overall score for the Council's CAA organisational assessment.

Adult social care inspection

As part of the Annual Performance Assessment by Care Quality Commission (CQC) an overall grade for 'Delivery of Outcomes' determines how well a council is meeting adult social care needs in its area. On 'Delivery of Outcomes' CQC assessed Lewisham as '[performing well](#)'.

Section I
Financial matters

SECTION I: FINANCIAL MATTERS

In addition to those financial matters raised elsewhere in this code, the Council will:

1. Put in place a process by which resources are allocated to priorities

The Council's corporate, financial and asset planning processes are integrated. This ensures that the policy implications of both capital and revenue resource allocation decisions are fully considered during the budget setting process. The annual budget report to [Mayor & Cabinet](#) in February 2010, and subsequently to Council in March 2010, and as in previous years, all budget savings proposals were analysed for their impact on each of the 10 priorities; they were also assessed for their equalities impact in line with Council's Comprehensive Equalities Scheme 2008-11.

The Council is judged annually by the Audit Commission on its use of resources and the allocation of those to its priorities. The latest [assessment](#), in 2009, scored the Council as 3 out of 4 overall for its use of resources. The financial management aspect of that assessment – which deals among other issues with the allocation of resources to priorities – was also graded as 3 out of 4.

SECTION I: FINANCIAL MATTERS

2. Adopt a financial reporting process to ensure that Members receive financial monitoring reports at appropriate intervals

National code dimension: 1.4, 1.7, 6.9

Timely and accurate monitoring reports are produced monthly and are reported to the Executive Management Team. Every quarter they are reported to Public Accounts Select Committee and Mayor & Cabinet. Budget Monitoring Reports link in-year budget variances to performance indicators to provide a rounded view of organisational performance. Last year in-year forecasts were consistent with the year-end out-turns and the rolling forecasts used throughout the year supported efficient closure of the accounts and reporting of those to [Council](#) in June 2009.

SECTION I: FINANCIAL MATTERS

3. Maintain an objective and professional relationship with external auditors

Internal Audit has Managed Audit status, whereby the Audit Commission (the Council's external auditors) place reliance on the work of internal audit in forming their opinion. As part of the managed audit arrangements Internal Audit undertake reviews of the Council's fundamental systems.

The Council's external auditors, the Audit Commission, carry out an independent audit of the Council's Systems of Internal Financial Control and report their findings in an annual audit and inspection letter. Their letter dated March 2009, based on their audit of 2008/09, was reported to Members on 2nd December 2009 at the Audit Panel.

In December 2009, as part of the CAA, Lewisham scored 3 out of 4 for the Use of Resources assessment.

SECTION I: FINANCIAL MATTERS

4. Publish an annual statement of accounts in a timely manner

National code dimension: 1.4, 6.9

The last Statement of Accounts was approved by [Full Council](#) on 24th September 2009.

Section J
Risk Management

SECTION J: Risk Management

1. The Council will put in place a robust system for identifying and evaluating significant risks to the authority

National code dimension: 4.4, 4.8

During 2008/09, the Council's Risk Management Strategy was revised and amended to reflect latest best practice and the embedment of risk management into our performance management system, P+. The revised strategy was approved by Mayor & Cabinet in January 2009. The strategy will be reviewed again in 2010/11.

In accordance with the Strategy, the main risk reporting mechanism is by way of risk registers which are maintained at Operational, Directorate and Corporate levels.

The registers record significant risks and score them in terms of impact and likelihood. Target scores are set and performance against target is monitored. The Directorate registers are considered at DMT meetings prior to further consolidation and are then subject to further challenge at the Risk Management Working Party (RMWP).

The Corporate Risk Register is monitored, updated and reported quarterly to RMWP prior to both Directorate and Corporate registers being reported to the Internal Control Board. This comprises all Executive Directors, Head of Law, Audit & Risk Manager and Group Manager Insurance and Risk and is chaired by an independent 'non executive' person (Bill Roots, a former London local authority Chief Executive) for further challenge.

Management of risk is embedded in all of our corporate management processes and a comprehensive approach is embedded in managing risk for all major projects and programmes.

The focus on risk in the Management Report has been increased over the past year with a statement on the risk environment for each priority as well as the risks with a 'red' rating being reported monthly.

SECTION J: Risk Management

2. The Council will put in place effective risk management systems, including systems of internal control as well as effective arrangements for an objective review of risk management and internal control

National code dimension: 4.4, 4.8

In 2008/09 the Council transferred its Internal Audit function to an external provider, RSM Tenon (formerly known as RSM Bentley Jennison). Each year, Internal Audit objectively reviews the Council's risk management framework, assessing its effectiveness and reporting its findings on risk management to the Risk Management Working Party, Internal Control Board and the Audit Panel. The reviews include recommendations for strengthening the risk management framework. The Internal Audit function undertakes an annual plan of internal audit reviews, which are largely risk based and designed to address the key issues identified through the risk management processes and to evaluate the controls in place to manage those risks.

Significant risks or areas of non-compliance identified via the audit process are brought to the attention of the Internal Control Board. Where Internal Audit issue a limited or no assurance opinion, risks are also reported to the Audit Panel. In addition, regular progress reports are made to the Internal Control Board and the Audit Panel on progress made to implement the recommendations of Internal Audit to improve the management of risks.

The Council's risk management arrangements are subject to annual independent review by the Audit Commission, through the Use of Resources assessment and the new Comprehensive Area Assessment.

In the Annual Audit Letter (November 2009), the Audit Commission found that *'the corporate risk management systems are well integrated across the Council. These systems support financial planning, project management, particularly large capital projects and policy making.'*

In order to provide assurance on our risk management framework, a 'risk maturity thematic review' of risk management across the Council was again commissioned from our internal audit providers, RSM Tenon, which reported in March 2010. The conclusion of the review is that the Council has maintained its 'managed' approach to risk, which is the second highest of the five potential categories for the assessment.

The Council continues to build on the progress already made to ensure that risk management is fully embedded within all directorate's service planning processes with the latest service planning round including greater focus on risk.

A series of workshops and training sessions have been delivered to support our work on risk management and are ongoing. In addition to service specific training, risk workshops have been particularly targeted at heads of service and service managers as part of the service planning process. Risk Management training has also been delivered to Members. Many of the training sessions have been supported by our external risk management consultants.

The Council's Audit & Risk Management Division comprises: Internal Audit (RSM Tenon and the client side team); the Anti-Fraud & Corruption Team (A-FACT - which investigates allegations of fraud, corruption and other irregularities); the Insurance and Risk Management Group (which deals with the Council's insurance arrangements and oversees risk management across the authority); and, the Corporate Health and Safety Team (which oversees health and safety across the Authority). The performance of Internal Audit and A-FACT is reviewed annually by the Audit Commission.

In the Annual Audit Letter (November 2009), the Audit Commission concluded they were '*satisfied that Internal Audit has continued to improve this year and assessed that all CIPFA's standards for internal audit had been met.*' They also indicated that '*the Council has proactive and effective arrangements to manage fraud and corruption*'.

Internal Audit adhere to internal audit best practice guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Institute of Internal Auditors (IIA-UK), and applies a risk-based and systems-based approach to auditing. Internal Audit undertake planned audits to an annual audit plan, which is drawn from a range of sources including corporate, directorate and operational risk registers. Internal Audit seek to target resources at those areas where inherent risks are perceived to be greatest.

Lewisham's Internal Audit has self assessed against the CIPFA Code of Internal Audit for Local Authorities (2006) and believes itself to be compliant with the code. This was tested in 2009/10 by the Council's external auditors and also through a peer challenge review with the London Borough of Croydon.

SECTION J: Risk Management

3. Annually the Council will publish an objective balanced and understandable statement and assessment of the authority's risk management mechanisms and their effectiveness.

National code dimension: 4.8

An Annual Governance Statement (AGS) was published with the Statement of Accounts in June 2009, which identified, amongst other things, the internal control environment and the risk management framework, a review of their effectiveness and significant internal control issues.

The AGS action plan is monitored by the Annual Governance Statement Working Group and progress on actions arising from the 2008/09 AGS and plans for delivering the 2009/10 AGS have been reported to the Internal Control Board.

Section K
Partnership Governance

SECTION K: Partnership Governance

1. The Council will ensure that it has robust and effective mechanisms to ensure that its partnerships are effectively governed, and that the risks involved in partnership working are accurately identified and appropriately managed.

National code dimension: 2.12, 2.13

In 2008, it was reported to Standards Committee that the Local Code of Corporate Governance was compliant to the national code, with the exception of its coverage of partnership governance. It recommended that the Council needed to address the particular risks associated with partnership working more rigorously and ensure that governing partnerships well and managing the risks associated with them had a higher profile.

Further assessments of partnership governance arrangements took place during 2008/09. In April 2008, the Monitoring Officer presented a report to the Internal Control Board that examined the governance arrangements of the Council's key partnerships. This was followed in February 2009 with a detailed audit of all the Council's major partnerships and contractual arrangements. The findings of that audit were reported to the Executive Management Team (EMT) and to the Internal Control Board.

As a result of that review, EMT required all Directorates to consider partnership governance arrangements, and particularly the business continuity arrangements of those partnerships, at Directorate Management Teams.

Compliance with the Local Code of Corporate Governance was reviewed in April 2009 and was reported to Standards Committee on 5th May 2009. As part of that process, the Local Code was reviewed and the Standards Committee accepted a recommendation to extend the Code to include a provision to ensure that the Council has robust and effective mechanisms to ensure partnerships are effectively governed and that partnership risks are identified and managed.

In November 2009, the Chief Executive presented a paper to ICB which assessed the main risks to the partnerships within each of Lewisham's six Sustainable Community Strategy priority themes. This paper is to be discussed at each of the LSP Partnership Boards with the intention being to develop these risks and record them in risk registers.

In November 2009, Standards Committee considered a new “Standards in Partnership” protocol which has been developed by Standards for England. This protocol provides some behavioural principles to guide those participating in strategic partnerships without separate legal entity. Adherence to this protocol is intended to ensure that the aims of the partnership can be fulfilled effectively and the public can have confidence in the operation of the partnership.

The Standards Committee made a recommendation to refer this partnership protocol to the [Lewisham Strategic Partnership](#), where it was considered on the 7th December 2009. The LSP has an agreement to review of its Terms of Reference and Code of Conduct in order to reflect the good practice set out in the new Standards for England partnership protocol.

SECTION L: Review

1. The Council will monitor compliance with this Code annually. The Head of Paid Service, Chief Finance Officer and the Monitoring Officer will present a joint report to the Standards Committee on the extent of compliance, and the Council’s annual statement of accounts will contain a statement explaining the extent of compliance. The Officers will also present any proposals for amendment to the Code for consideration.

This Report is submitted as evidence of compliance with the review procedure as stated above.